



Brownfields Cleanup Revolving Loan Fund Pilot *Dearborn, MI*

Outreach and Special Projects Staff (5105)

Quick Reference Fact Sheet

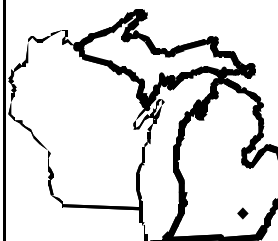
EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

Dearborn, Michigan is the hometown of Henry Ford and the world headquarters of the Ford Motor Company, the Henry Ford Museum and Greenfield Village. Between 1920 and 1960, 17 percent of the City's 24.5 square miles was developed for industrial use. Due to age, changes in technology, abandonment and old operational practices, a significant number of industrial sites are in a state of physical and economic decline or total obsolescence.

Many of the obsolete industrial sites, which are concentrated in the eastern portion of the City, are located in neighborhoods with a majority (69%) of low and moderate-income residents. Historic unemployment patterns in the industrial areas are, on average, one-and-a-half to four times the rate of the City as a whole. Dearborn has been working through the Downriver Area Brownfield Consortium to identify and assess brownfield sites. Phase I and II Baseline Environmental Assessments have been completed on three sites. The Downriver Area Brownfield Consortium was designated a Brownfields Assessment Pilot in 1997.

PILOT SNAPSHOT



Dearborn, Michigan

Date of Announcement:
July 2000

Amount: \$500,000

BCRLF Target Area:
City of Dearborn

Contacts:

City of Dearborn Economic &
Community Development Dept.
(313) 943-2180

Region 5 Brownfields
Coordinator
(312) 886-7576

Visit the EPA Region 5 Brownfields web site at:
www.epa.gov/R5Brownfields/

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields>

BCRLF OBJECTIVES

The objectives of the Dearborn BCRLF program are to close the financial gap for projects and encourage cleanup and redevelopment of underutilized and obsolete sites.

Specifically, the Dearborn BCRLF program seeks to:

- Provide funding necessary to induce brownfields redevelopment;
- Create new job and housing opportunities;
- Increase the property value of brownfields;
- Return obsolete sites to productive use; and
- Facilitate private investment.

Loans will be made to projects that further these goals and are consistent with existing zoning and land uses. The primary BCRLF target area is the industrial corridor, although sites throughout the City are eligible for funding.

FUND STRUCTURE AND OPERATIONS

The City of Dearborn's Economic and Community Development Department (ECD) will serve as lead agency. The Assistant Director of the ECD will be brownfields site manager. The fund will be managed by the ECD, the City's Finance Department, and the Dearborn Brownfields Redevelopment Agency.

Dearborn will consider an innovative approach to BCRLF loans through the Brownfields Redevelopment Authority to qualified developers to subsidize cleanup costs. Tax increment financing revenues are being considered as the mechanism for BCRLF loans repayment. Interest rates would be four percent.

LEVERAGING OTHER RESOURCES

Other potential funding sources include: Michigan Site Reclamation Grants, Michigan Brownfield Revolving Loan, Michigan Single Business Tax incentives; City Infrastructure Funding, Dearborn Brownfields Redevelopment Authority Tax Increment Financing;

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.

Industrial Facilities Tax Abatement; Dearborn Economic Development Corporation Funding, and HUD Community Development Block Grants. To further leverage BCRLF funds, the pilot also will consider requiring private developer matching funds including cash and in-kind contributions.